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**AN ASSESSMENT OF THE POST INSURGENCY EFFECTS OF TERRORISM  
ON PRIVATE BUSINESSES AND EDUCATION SECTOR OF BAJAUR  
AGENCY, PAKISTAN**

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**Abstract**

Terrorism is an international phenomenon and its borders are not confined to a specific country or region. It has affected almost every aspect of life, however; the impacts on education and business sectors are more ruinous. This study aimed to ascertain the effects of terrorism and war against terrorism on the business and education sector of Bajaur Agency. The research adopted a cross sectional study design according to which data from various traders and businessmen of the area were collected through purposive sampling technique. The study revealed that all of the businessmen of the agency were affected due to war, however only 18% of them received financial assistance from Government or Non-government organizations. 94% of the respondents mentioned that they are sending their children to schools however; they showed their grievance regarding the low quality of education provided in these institutes in a post war scenario. Whereas 6% of the respondents mentioned that they are not sending their children to school at all due to various factors. There is a severe need to assist the traders and businessmen of the area to

re-establish their businesses. Moreover, the Government needs to take drastic measures to re-build schools and upgrade the whole education system in Bajaur Agency.

**Key Words:** Terrorism, war against terrorism, education sector, business sector, tribal areas, Pakistan

## **1. Introduction**

Pakistan has faced many serious security and Economic problems since its independence which has not only deteriorated the internal peace but has also destructed its economy. Now these issues have converted to domestic threats like militancy, political instability, terrorism, religious extremism and inflation. Terrorism is a very serious threat to both internal and external security of the country which affects socio political structure of the country (Daraz, 2008). Terrorism has resulted in internal security concerns along with creation of bad image of the country globally (Khan, 2007).

The decision of Pakistan to be a front line state in the war against terrorism after 9/11 has turned it to a critical and central state. Now it is necessary for Pakistan to take actions against those organizations which are threat to its security(Amir,2009).The role of Pakistan's Government in war on terror in tribal areas (FATA) has faced a stiff defiance by the militant groups, who have their own socio-political agenda according to their desires in the region. Their intentions have been evidently shown by destruction of schools in the tribal areas. While most of the remaining schools are either closed or nonfunctional because of prevailing security situation of the area. This scenario creates difficulties for the Government's efforts, which they undertake, in order to bring peace and stability in region, an objective which again is impossible without provision of enough education to the children and young generation. Because, the ongoing conflict has deprived thousands of the children of their very basic and constitutional rights.(Naqvi, Khan, & Ahmad, December,2012)

The number of educational institutes is very low as compare to the population of the federally administrated tribal areas. Many of the existing educational institutes have been destroyed by the militant groups. The militant groups believe that the modern day education is serious threat for women's life as well as the religious ideology of Islam (Chagatai, 2013). During the Military operation Pakistan Army has found many of the terrorists who have crippled all sectors of FATA including education, market structure and social norms. These were the people who have violated the rules of humanity just to have their control in the Area and the local people were just spectators for to see what they were doing Gregory (2007).

Government's investment in education sector, make a direct and long lasting impact on the grievance of the people ,which can result in the reduction of violence in the society (Akoki et al., 2002). The spending of Government in education sector can result in the reduction of grievance and conflict. This reduction in conflict will pave the path of expedite economic Development and social equality among the society (Thyne 2006).

The causative relationship between terrorism and economic Growth looks to be complicated. For one reason, terrorism may deteriorate Economic activities and among its other negative impacts it is the destabilizing effect on the economy, which stress on the subduing of terrorist activities. (Meierrieks & Gries, 2013). Terrorism may deteriorate Economic activities directly through destroying the human and physical capital of the economy while its indirect repercussions depend on, how the market and investors responds to it (Bird,Blomberg& Hess, 2008). Recovery of a war affected economy depends on the nature of capital that has been destroyed during conflict. If the war has more effects on human capital then recovery will be slow as compare to the economy where physical is damaged (Martin, 2004)

Given the severity of these negative impacts of the terrorist activities, it is essential to have an in depth understanding of the costs that were borne by the tribal community in terms of lost business and education opportunities. This study aims to know about the impacts of terrorism on Business and education sector of the tribal areas of Bajaur Agency.

## **2. Literature review**

Different researchers and organization have contributed to the literature on Terrorism and its impacts on different aspects of daily life.

(Jan et al, 2011), Found that people of FATA accept that, they have faced huge losses in monetary and non-monetary terms due to terrorism and military operations. It has been concluded that, tribal areas should be made free from the menace of terrorism, through the support of tribal people. The Government should also focus on the Development of FATA and fulfill their losses, as it is need of the day.

(Gregory, 2007) Concluded, that during Military operation Pakistan Army has found many of the terrorists who have crippled different aspects of daily life in tribal areas including education, market structure and social norms. These are the terrorists, who have violated all rules of humanity for , just to have their control on the area and have made the local people just like spectators. (Adora, 2010) has analyzed that terrorist activity in FATA has affected economic activities which in turn has affected other aspects of life including quality of life. During the insurgency the terrorists had targeted the economic resources mainly in order to disturb socio-economic setup of the region.

(Akoki et al., 2002), suggests that the investment of Government in education makes a direct and long lasting impact on the reduction grievance of the people, which can result in the reduction of violence in the society.

(Thyne, 2006) , Suggested that the spending of the Government in educational sector can result in the decrease of Grievance and conflict. It will expedite economic development and social equality among the members of the society.

(Meierreiks & Gries, 2013) Find that the causative relationship between terrorism and economic Growth looks to be complicated. For one reason, terrorism may deteriorate Economic activities and destabilize the economy that stress on the subduing of terrorist activities. In other words, Economic activities provide an alternate way of earning to the potential terrorist instead of, to involve in such guilty activities. However majority of the studies on the roots and Macro Economic consequences of terrorism, assumes that there is a clear relationship between terrorism and Economic activities instead of cause and effect relationship.

(Bird, Blomberg, & Hess, 2008) Reported that, terrorism can deteriorate Economic activities directly through destroying the human and physical capital of the economy while its indirect repercussions dependon, how the market and investors responds to it. For example it is anticipation that terrorism has more effects on those sectors which are more exposed to it, like tourism.

(Ferdous, 2009), Analyzedthat terrorism has reached to all parts of the world because of poor economic structure, violent political system and social setup. Many nations are fighting against terrorism but the root causes of terrorism are socio-economic factors.

(Azam, Bates, & Biaï, 2009) , Concluded that terrorists have caused serious damages to social, economic, political and infrastructural Beauty of Pakistan and Afghanistan. The major causes of this insurgency are political unrest, poverty, unemployment and personal interests.

(Alberto Abadie, 2003), Compared Basque and synthetic regions of their country that were having similar GDP per capita before terrorist campaign in prior to 1975. They report that because of terrorist activities GDP per capita of Basque region decreased by 10% as compared to synthetic region.

(Zvi & Tsiddon, 2004), Investigated the effects of terrorism on the macroeconomic structure of Israel. They conclude that the impacts of terrorism on exports and investment are three times more than non-durable consumption and two times more than GDP.

(sala-i-martin, 2004), analyzed that recovery of a war affected economy depends on the nature of capital that has been destroyed during conflict. If the war have more effects on human capital then recovery will be slow as compare to the economy where physical is damaged.

(Pieter serneels, 2012), Concludes that, recovery of the economy depends on the nature of the conflict. If the conflicts is among between countries then recovery will take more time as compare to internal conflicts.

(seonjou kang, 2005) Suggests that civil wars affects Gross domestic product by four ways i.e. destroying, disrupting, Diverting and decreasing natural resources. These economic consequences not only affects by self but they can also lead to further factors which make the economic condition further worse off.

### **3. RESEARCH METHODOLOGY**

#### **3.1. Study site**

Bajaur Agency is located in North west of Pakistan and is connected with Kunar province of Afghanistan. On the basis of area it is the smallest agency of FATA (about 1290 km<sup>2</sup>) while its population (1173000) makes it the largest Agency, according to Pakistan Poverty alleviation fund 2014.

#### **3.2. Research design**

This study has used a cross sectional study design based on Quantitative data.

#### **3.3. Sample size**

The primary Data for this study has been collected from 96 Businessmen of different business Hubs of Bajaur Agency including Khar, Inayat kalay and Nawagai through a semi - structured questionnaire while using cross sectional study technique. The sample size was estimated through sampling calculator.

#### ***3.4. Data tool and quality control:***

The survey questionnaire was composed of several questions, which were related to general household information like age, education, nature of Business, family size, demography of households, total number of children and school going children. Quality control was implemented through random check-up of the targeted area.

### **3.5.Sampling technique**

Purposive sampling technique was used to collect data from 96 business men of the area. These businessmen were related to different setups ranging from small shopkeepers to big traders and businessmen.

## **4. RESULTS & DISCUSSION**

The results derived from this study are presented and discussed under separate headings as per the research instrument in the following manner:

### **4.1. Socio-demographic profile of the respondents**

All of the respondents were male having an average age of 40 years. Majority of them were married and belonged to different areas like Khar, Inayat kalay, loyisam. Average family size was found to be seven members and majority of them were sending their children to educational institutes before the start of militancy and having good earning capacities due to the stability of the business markets.

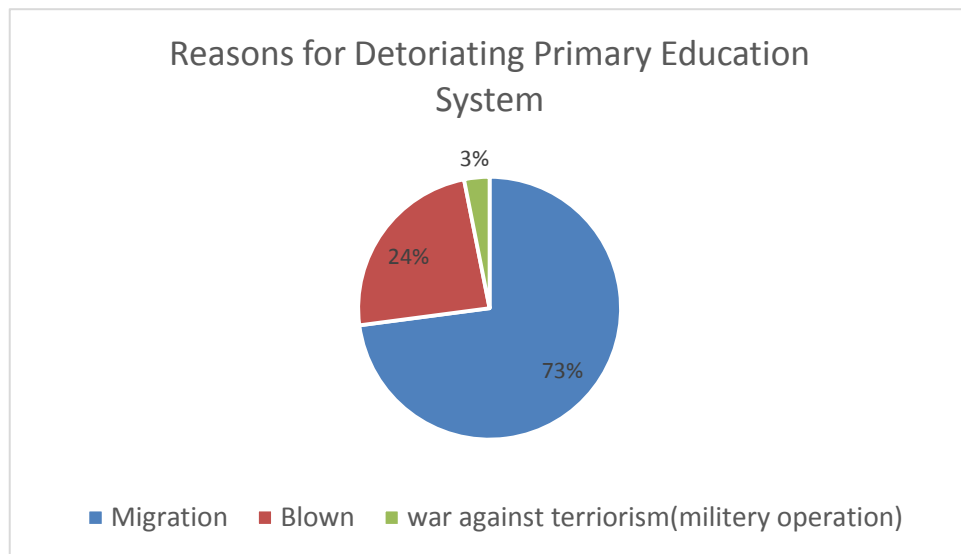
### **4. 2. Perceptions regarding Education sector**

The study revealed that among the respondents, 80% of the parents are currently sending their children to schools for primary education. However, there was a reported dissatisfaction on the quality of education provided in the post conflict scenario. The remaining 20% responded that they have stopped sending their children to schools any more due of lack of educational institutes and to help them in business. Among those who were sending their children to schools, 73% mentioned that the absentee of school teacher and badly affected schools infrastructure is a big concern. Other major reasons reported for not sending children to school were the fact that these families had to migrate after war on terror. Latter on due to non availability of any economic opportunities, their children got involved in child labor to support the families financially and hence had to discontinue their education. About 3% of the respondents were of the opinion that



schools of their children were used as base camps during insurgency which has affected education of their children.

The above feedback from the respondents reveals that although war against terrorism has solved the issue of terrorism in Bajaur agency, but the damage to the schools and other educational institutes is still persistent. There is also a static shortage of school teachers, further intensifying the low quality of education provided in these schools. A similar problem was reported in other studies from tribal areas of Pakistan other than Bajaur agency (Ikram & Chughtai, 2012).



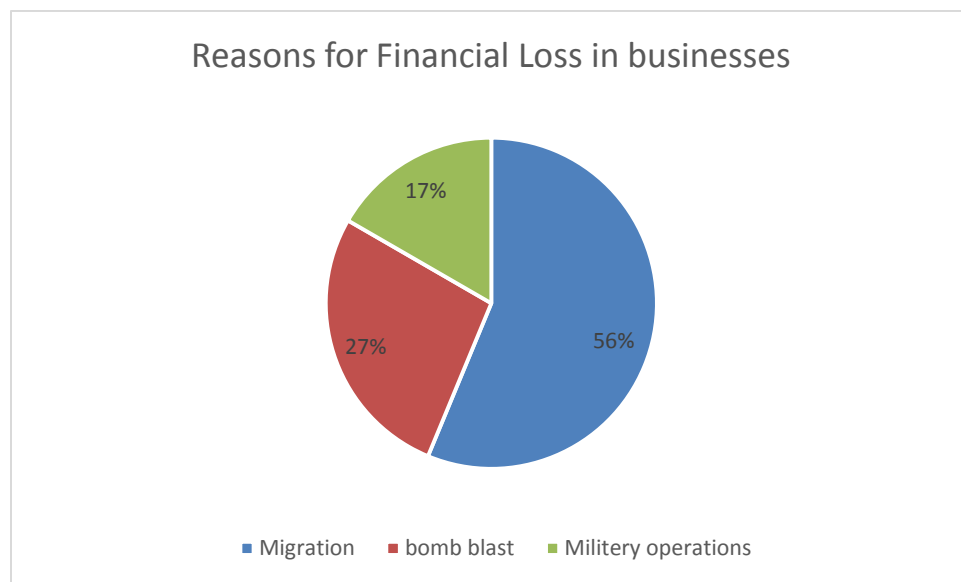
#### **4.3. Perceptions regarding effects on Business:**

All of the respondents reported that their business was badly affected due to insurgency in the Agency.

About 56% of the respondents mentioned migration from their areas as a major cause. However, even those who stayed in the areasuffered the same as the markets were closed for almost one year. This affected the business men in two ways; in the first place they were bound

to pay the rent of their shops and secondly many of the goods present in the shops were not in a condition to be sold.

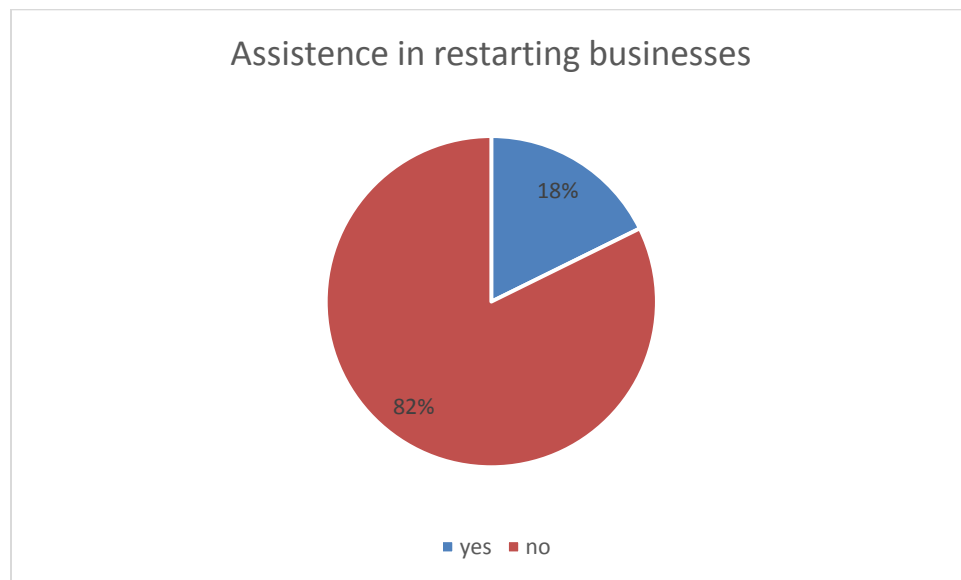
About 27% of the respondents mentioned that their businesses were affected due to the terrorist's activities. In some areas like central city of Bajaur agency (Khar), many shops were blown in bomb blasts and the business men faced financial losses along with facing insecurities and threats on all other fronts.



The above statistics revealed that an average business men of Bajaur Agency has faced a financial loss of Rs. 5.4 million during the peak of terrorist activities and the counter war by military in the area. The economic activities in Bajaur stopped completely as these activities were solely comprised of buying and selling activities in market areas which were closed down during insurgency. Unlike Bajaur, in other parts of the world e.g. Turkey, where terrorism could not reduce the economic growth to a greater extent for the reason that there were many other sectors prevalent in their settings so, the businessmen were not that much affected (Nadir, 2010). Similarly, in other parts of the world for example Basque, the local people were financially stable and had enough capital to restart their business (Abadie, 2003) as compared to the Businessmen of Bajaur.....

#### **4.4.Perceptions regarding assistance in restarting the businesses**

In response to a question asked related to financial assistance, 82% of the respondents argued that no one has helped them during restarting of their businesses after military operation. However, about 18% reported that, they had support from Government departments and NGO's the time of restarting their businesses. Among these 18%, about 6% mentioned that they have received assistance from Non-Governmental organizations while 12% have received assistance from Government Organizations. The support was given either in financial form or training sessions, arranged for the affected businessmen.



It is evident from other studies that those regions where Government played a vital role in rehabilitation, flourished rapidly both economically and socially in comparison to those which were neglected (Nadir, 2010). If the authorities do not play their due role, it results in long lasting negative impacts on the overall economic development of the countries (Huddy 2002, Ahmed 2012).

## **5. CONCLUSION AND RECOMENDATIONS**

### **5.1. CONCLUSION**

The study concludes that the socio-economic setup of Bajaur agency was greatly affected due to terrorism and the counter war against terrorism. The Business and education sector were the ones greatly affected. It was also found that the Government did not play its due role for building up and supporting these sectors. There is a severe need of designing proper interventions through participatory development approach to resolve these issues.

### **5.2. RECOMMENDATIONS**

Based on the findings from this study, following recommendations are made:

1. Along with the up gradation of the local schools in Bajaur Agency, there is also need of encouraging private education system in these areas. Similarly, the community needs to be encouraged and motivated through awareness campaigns to focus on educating of their Childs.
2. Government should have proper assessment surveys of the financial losses made by the business communities in order to provide them financial assistance. This will be helpful for the revival of Economic activities and will ease the problems of the affected people. Similarly, Government should exempt them from the taxes that they are paying under FCR so that to increase trade activities in the area.

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